

**Prepared Remarks of Chairman Julius Genachowski
Federal Communications Commission**

**“Empowering Small Businesses Through Broadband”
Meeting with eBay Top Sellers**

**Washington, D.C.
September 15, 2010**

Good morning. I appreciate this opportunity to talk to you today.

If you don't want to sit through my entire remarks, just click “Buy It Now,” and my staff will give you a transcript.

Thank you, John Donahoe, for inviting me, and for your leadership of one of the shining lights of the digital economy.

eBay is an incredible achievement, creating opportunity for the little guy for 15 years. It offers a platform for hundreds of thousands of American entrepreneurs and small businesses to sell their products, facilitating 60 billion dollars a year in economic activity.

It's enabled new businesses to start, existing businesses to grow, and countless businesses to hire.

At a time when we are facing a trade deficit, eBay is helping drive exports. More than 2 million eBay sellers sold products to foreign markets last year.

And eBay is greening the economy. Before eBay, “re-gifting” was nothing more than a punchline on Seinfeld. Today, by facilitating the reuse of millions of products – eBay transactions displace the equivalent of 4 million tons of carbon emissions a year.

Now while there's much to celebrate, I did not come here to praise eBay. I came to highlight the people and the national infrastructure that have made its success possible – small business owners and broadband – and to talk about the critical role both will play in revitalizing our struggling economy.

We meet here at a critical time. While the economy is recovering, it's not doing so fast enough. People are hurting.

We know that technology can give us a bright economic future – if we have the right infrastructure and policies in place, and we know that future can be better than the past. The technology sector, which accounts for one-sixth of our economy and an even higher percentage of economic growth, will be critical to our nation's economic recovery.

The FCC is focused like a laser on spurring our economy.

That is why we are aggressively pursuing policies to lay a foundation for long-term economic growth, and catalyze private investment and job creation, particularly among small businesses.

Small businesses are the engine of the economy.

Small businesses employ over half of all private sector workers.

Small and medium businesses have created two-thirds of net new jobs – more than 14 million – over the past 15 years.

About 650,000 new small businesses are created annually, and start-ups account for a disproportionate share of new jobs being created.

Many of these small businesses are eBay sellers, and it's my pleasure to be here with you – the top 30 eBay sellers in the country. Congratulations on your success.

You offer a great example of the ingenuity and entrepreneurial spirit we are going to need to get our economy booming again.

As eBay sellers, you know better than anyone about the importance of broadband to the success of our economy, to jobs, and to the future of small businesses.

The Bureau of Labor Statistics forecasts that jobs depending on broadband and information and communication technologies will grow by 25 percent from 2008 to 2018 – 2.5 times faster than the average across all occupations and industries.

When many people hear that statistic, they think you are talking about jobs in Silicon Valley. But the power of broadband is that it enables businesses to grow and jobs to be created anywhere. Just look at this room.

Yes, we've got entrepreneurs from Seattle and San Diego, but also from Buford, Georgia, Frisco, Texas, North Sioux City, South Dakota, from cities in Ohio, North Carolina, Massachusetts, and Michigan. You come from just about everywhere, and you sell just about everything: model trains, watches, recycled electronics, golf clubs, power tools, and pool equipment.

Your businesses exist because of broadband Internet.

The jobs you have created exist because of broadband Internet.

Thanks to broadband, you can reach customers in the next neighborhood, the next city, the next state, and even overseas.

Broadband makes it easier for you to market your companies, and it can also help you reduce costs through cloud-based efficiency tools, improving your bottom line.

Mobile broadband also helps you reach your customers when they are on the move. EBay's iPhone app has been downloaded 12 million times, and eBay sales on smartphones are expected to top \$1.5 billion this year.

But for all broadband can do to boost small businesses and economic growth, there are real challenges we must overcome if we hope to realize broadband's full potential.

Our broadband infrastructure – both wired and wireless – is good, but not good enough. We need to be leading the world, but we are lagging globally.

We have a challenge with access. Up to 24 million Americans couldn't even get broadband if they wanted it.

We have a challenge with speeds. Average speeds in the U.S. are not in the top 10 globally, and actual speeds are often significantly lower than advertised speeds

We have a challenge with adoption. Ninety-three million Americans do not have broadband in the home. That's 93 million potential customers you can't reach.

We have a challenge with affordability. According to an upcoming FCC report, 50 percent of small businesses cited cost as a reason they weren't upgrading their broadband connection

We have a challenge with digital literacy. Due in large part to a lack of understanding about the benefits of broadband, the majority of small businesses that adopt broadband do not use applications that could improve profitability – from ecommerce to marketing services.

And we have a challenge with spectrum. Mobile data traffic is projected to increase 30-fold over the next five years, and the supply of spectrum we currently have dedicated to mobile broadband is insufficient to keep up with this growing demand.

This past March, the FCC released America's first National Broadband Plan, which contains a number of strong recommendations to tackle these challenges.

To improve availability of broadband infrastructure, particularly in rural areas, the Plan proposes transforming the \$8 billion Universal Service Fund.

We are going to fix a broken system that is focused on 20th century telephone technologies and plagued by waste and inefficiency, and replace it with a new program that provides universal broadband through cost-effective, accountable public-private partnerships. The new USF will be smart, efficient, and focused on delivering resources where there is real need and opportunity.

To ensure U.S. leadership in mobile communications, we have set a goal of freeing 500 megahertz of licensed spectrum for mobile broadband. To meet this goal, we have proposed "incentive auctions" – an innovative market-based solution to allow underutilized spectrum to be put to more effective uses, which became a centerpiece of the President's Wireless Broadband Initiative.

We are also moving to unleash unlicensed spectrum, which are airwaves that are open for any innovator to use. Next week, the FCC will move forward with the first significant release of unlicensed spectrum in 25 years. More specifically, we will free vacant airwaves between TV channels – what we call White Spaces – enabling Super Wi-Fi and other application we can't even imagine.

To maintain the Internet as an unprecedented platform for innovation, we want to put in place an enforceable framework to preserve the free and open Internet.

It is the Internet's open architecture that allowed eBay to evolve from Pierre Omidyar's personal website where he sold a broken laser pointer into an \$8 billion corporation that supports tens of thousands of other businesses and has been a real leader in job creation.

The open Internet also let's the market decide if a small business succeeds or fails, not some gatekeeper. I see the open Internet as a core small business issue.

To improve broadband knowledge among small businesses, the Plan calls for increased availability of digital training for small businesses. The FCC is leveraging existing resources at the Small Business Administration to launch a public/private partnership called the e-Business Now program to encourage small businesses to adopt broadband and e-commerce technologies.

Starting in November, e-Business Now will launch in person and online workshops, provide one-on-one coaching, and publish how-to-guides to assist small business owners in addressing businesses challenges through broadband enabled technologies.

To protect small business owners from online attacks, the FCC is focused on enhancing cybersecurity. We launched an inquiry into establishing a voluntary cybersecurity certification program. This effort could enhance online safety by offering consumers more information about their service providers, as well as promoting a culture of security online.

American small businesses need fast, affordable broadband access to compete globally, create jobs, and operate more effectively. To promote competition and better our understanding of the needs of the small business community, the FCC issued a Public Notice today on the business broadband marketplace.

We are seeking comment from business broadband providers, customers, and other parties regarding trends and issues in the delivery of business broadband service in the United States. This important first step will enable the FCC to analyze the broadband business marketplace with the goal of ensuring that FCC competition policies enable small businesses to realize the maximum benefits of broadband services and competition.

As our nation works its way out of this historic economic downturn people are looking for solutions that will spur faster economic growth and job creation.

It shouldn't be hard to agree that we need to empower entrepreneurs like the ones in this room.

Few things have greater potential to unleash the ingenuity of America's small business owners than driving world-leading broadband deployment and adoption.

Our National Broadband Plan charts a course for broadband to be an enduring engine of economic growth and job creation in the United States. Let's work together on getting it done.